

#BUSINESS NEWS

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Sponsors may be tempted by Olympics return to Los Angeles

Liana B. Baker



Los Angeles Mayor Eric Garcetti announces an agreement for the city of Los Angeles to host the 2028 Olympic Games from Carson, California U.S. July 31, 2017.

SAN FRANCISCO (Reuters) - Even if it is more than a decade away, a Summer Games in Los Angeles in 2028 may be a boost to the International Olympic Committee's (IOC) efforts to extend its lucrative contracts with top sponsors such as Visa Inc and Coca-Cola Co, Olympic sponsorship experts said.

Los Angeles agreed to host the 2028 Summer Games, after bowing out of a two-way contest with Paris for the 2024 Summer Games. Awarding two Summer Games in tandem is rare for the IOC, and under normal circumstances, the 2028 host city would not be known until 2021.

U.S.-based multinational companies Visa (V.N), Coca-Cola (KO.N), Procter & Gamble (PG.N), Dow Chemical Co (DOW.N) and General Electric Co (GE.N) make up about half of the IOC's top sponsors program, which contributes more than \$1 billion in each four-year cycle to the games.

All of these brands' agreements with the IOC expire in 2020 after the Summer Games in Tokyo.

At least one U.S.-based sponsor, which spoke to Reuters on condition of anonymity, said that it had been eager for the Games to return to the United States after so many years.

"LA is a homegrown market, a U.S. market for these companies that gives a tremendous boost to the likelihood that they will continue to stay on as sponsors," said Rob Prazmark, chief executive of 21 Sports & Entertainment Marketing Group, who helped create the top sponsors program with the IOC.

Los Angeles Mayor Garcetti speaks at the podium during the announcement that the city of Los Angeles will host the 2028 Olympic Games in Carson, California, U.S., July 31, 2017.

Mike Blake

The 2028 U.S. Summer Games, the first Summer Games in the United States since 1996, could be a factor in the renewal discussions with sponsors that are currently underway, said John Grady, a sports law professor at the University of South Carolina.

"Once you have an American city, it puts a flame under that U.S. brand. They have a reason to renew that otherwise didn't exist," Grady said.

Slideshow (2 Images)

With the next three games in Asia, some U.S.-based sponsors have bowed out of their official Olympic sponsorship deals, though the IOC has signed on new Asia-based sponsors such as Alibaba Group Holding Ltd ([BABA.N](#)).

McDonald's Corp ([MCD.N](#)) ended a 41-year sponsorship deal with the IOC in June, and the U.S. Olympic Committee also has lost sponsors such as AT&T Inc (T.N) and Citigroup Inc ([C.N](#)) ahead of the 2018 Winter Games in South Korea.

Visa and Coca-Cola declined to comment beyond saying that their Olympic deals run until 2020. The IOC, P&G, Dow and GE did not respond to a request for comment. Intel, which signed on as a top sponsor in June, is locked in until 2024 and declined to comment.

Just knowing the location of Games 11 years out could also benefit U.S. broadcaster NBC, a unit of Comcast Corp ([CMCSA.O](#)), which is signed on until 2032, because it now has significant lead time to work with advertisers and deal with the changing ways people watch the Games over the internet, which has led to lower TV ratings.

An NBC spokesman, in a statement, called the next three host cities for the Summer Games, Tokyo, Paris and Los Angeles, "a U.S. broadcaster's dream."